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SUBJECT: ESTONIA: SCENESETTER FOR THE PRESIDENT'S VISIT TO

TALLINN NOV 27-28.

Classified By: the Ambassador for reasons 1.4 (b) and (d).

Summary

11. (C) Mr. President, I am extremely honored and pleased to welcome your historic visit to Tallinn on November 27-28. Estonia is a steadfast ally and partner; we share so many common values. The timing of your visit is excellent - President Ilves took office on October 9th and the parliament is about to debate extension of Estonia's military mandate in Iraq. Your visit will provide assurance that the United States values Estonia. It will also reinforce domestic political support for our agenda, including the Global War on Terror, and invigorate a new generation of Estonians' interest in the United States.

During your visit, I recommend that you

- -- Convey the strong respect we have for Estonia as a partner.
- -- Laud Estonia's strong commitment to fighting the Global War on Terror;
- -- Thank President Ilves and Prime Minister Ansip for Estonia's deployments in Iraq and Afghanistan in support of U.S. and NATO objectives;
- -- Express hope that Estonia will extend its Iraq mandate for another year;
- -- Praise Estonia's support for new democracies in the region and encourage intensification of these efforts;
- -- Pursuade Estonia to take a more active role in voicing its support for strong transatlantic ties within EU and international forums;
- -- Encourage Estonians to support their nation playing an active role in international affairs;

Your Estonian interlocutors will want to discuss concerns over Russia's efforts to exert both political and economic influence over neighboring countries. They will also repeat their case for implementing visa-free travel to the United States in the context of Estonia's contributions in the GWOT. End Summary.

12. (C) Your visit will feature a meeting and working lunch with President Toomas Hendrik Ilves and a meeting with Prime Minister Andrus Ansip. President Ilves, who was elected in late September, is very outspoken and sometimes perceived as haughty. He grew up in the United States and

has placed a priority on invigorating Estonia's role in European structures, improving transatlantic relations and unifying EU policy towards Russia. On a personal note, President Ilves is very fond of clearing brush at his farm outside of Tallinn. Prime Minister Ansip is the dynamic leader of Estonia's three-party coalition Government and a very strong supporter of U.S. foreign policy objectives and policies. Last fall, he was one of the first foreign heads of government to visit Iraq. I recommend you concentrate on the following themes in your discussions:

Recognizing Estonia as a Staunch Ally

- 13. (C) I strongly recommend you express both publicly and privately your deep appreciation for Estonia's active participation in the Global War on Terror. Despite its small size, Estonia has taken on a disproportionally large role in peacekeeping operations. Estonia currently has 280 military personnel deployed worldwide and, in Iraq and Afghanistan, has suffered a total of 24 injured and 2 killed in action. This is a high price for a country with only 1.35 million people (and 3,800 regular armed forces.) 37 Estonian soldiers are fighting side-by-side with American troops outside of Baghdad where they have participated in some of the toughest counter-insurgency missions. The Parliament will soon debate whether to approve a one-year extension of the troops' mandate. Public support for the Iraq mission is not strong and your visit will be key in highlighting the importance of Estonia's contributions to stability in Iraq.
- 14. (C) In Afghanistan, Estonian troops are embedded with a UK-led Provincial Reconstruction Team in Helmand Province. Helmand is an epicenter for opium production and has seen an upsurge in Taliban activity. Estonia's mission in

Afghanistan has a two-year mandate and the number of troops will rise from 80 to 120 by the end of this year. Support for this mission among the political leadership is strong, and the government has identified the Afghanistan mission as a top priority.

Transformational Democracy

¶5. (C) In just fifteen years, Estonia has made a remarkable transition from Soviet shackles to free-market democracy and from aid recipient to aid donor. In 1994, Estonia was the first country in Europe to introduce a flat tax system. Estonia's economic success has been remarkable. This year, GDP growth is close to 10% and Estonia has a budget surplus of almost 3.5% of GDP. This success gives Estonia undeniable credibility in promoting reform abroad; it has become a strong advocate for democracy and freedom in the region. Earlier this year, the Government committed to spend \$10 million per year through 2010 on priority partner countries including Ukraine, Georgia, Moldova and Afghanistan. Prime Minister Ansip will introduce you to Estonians who are leading the effort to promote democracy abroad, including Mart Laar, a former Prime Minister and current Member of Parliament. Laar is currently an advisor to Georgian Prime Minister Saakashvili on democratic and market reforms. As Prime Minister (1992-94 and 1999-2000), he was instrumental in securing passage of key market reforms, including Estonia's flat tax and privatization of state assets. I encourage you to thank your interlocutors for their good work and strongly encourage them to seek out additional ways to intensify their efforts.

Reticent Advocate

16. (C) As is the case with many EU new members, Estonia has been reticent to press its interests in Brussels too forcefully or criticize EU policies, except with respect to Russia. While Estonia often supports our position on key issues, it generally voices that support behind the scenes.

Because Estonia's cadre of experts is small, when it does speak out, it is generally only on issues which directly impact its national interests (i.e. Russia). Estonia needs to take an active role on issues aside from Russia to be seen as an objective partner within the EU. President Ilves has stated his desire for Estonia to become a "generator of ideas" in Europe and to increase the influence of new member countries on common EU policy. I recommend you encourage his efforts.

Reaching out to the Next Generation

17. (C) Estonia has arrived at a point where its high school and university students can no longer remember what Estonia was like under Soviet occupation. The United States policy of non-recognition - to which older Estonians still attach great importance - is an abstract concept for young people The hardships of Soviet times are gone; Tallinn and Tartu are modern, bustling cities; and Estonian students can study and work in many other EU countries. We have seen a declining trend in the number of young Estonians seeking to study, work or travel in the United States. To counter that trend, I have engaged the entire Embassy in an aggressive public diplomacy campaign to reach out to young I personally have visited more than 75 schools throughout Estonia and spoken to thousands of young people. These efforts are starting to bear fruit. In 2005, more Estonians traveled to the United States than in any previous year. Your visit will lend great weight to these efforts.

E-stonia

18. (C) Time Magazine recently called Estonia "one of the most technologically advanced places on the planet." Estonians are proud of their reputation for high-tech innovation and e-democracy. People file their taxes online, internet banking is the norm, and Estonians can even pay for parking with their cell phones. In 2005, for the first time, citizens could cast ballots electronically. Prime Minister Ansip will give you a lively presentation on Estonia's e-government initiative and paperless Cabinet meetings.

Watch Out For

- 19. (C) Russia: Estonia's relations with Russia remain vulnerable to reactionary impulses on both sides. For Estonians, history weighs heavily. In the 1940s, the Soviets deported tens of thousands of people in several waves of deportations; many of these people did not survive life in Siberia. Russia's refusal to acknowledge the fact of Soviet occupation leaves a bitter taste. Key obstacles to truly "normal" relations include discord over an unratified border treaty and Russian accusations - unfounded, we believe - of Estonian mistreatment of its Russianspeaking minority. Estonia is also concerned about Russia's gas monopoly in the region and its ability to disrupt growing trade flows. However, large oil shale reserves, which supply about 95 percent of Estonia's electricity, make the country much less vulnerable to Russian manipulation of energy supplies. Estonia has been highly critical of Russia's tactics against Georgia. President Ilves has expressed his keen personal interest in this issue. Additionally, the Parliament passed a resolution on October 17 condemning Russia's mistreatment of Georgia.
- 110. (SBU) Visa Waiver: Both President Ilves and Prime Minister Ansip will urge you to commit to extend the Visa Waiver Program to Estonians. I firmly believe we should find a way to facilitate Estonia's entry into the Program. In a very short time, Estonia has come quite far toward meeting the requirements of the Program. However, although refusal rates have declined rapidly the last few years,

they have not yet averaged under 3% for two consecutive fiscal years, as required. We are doing everything we can to simplify the application process, including instituting an online appointment system and minimizing applicant trips to the Embassy. This has helped improve perceptions considerably, but Estonians will not be satisfied until they are treated the same as "old" EU members.

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